



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

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BILL HASLAM
GOVERNOR

Danielle W. Barnes
COMMISSIONER

October 20, 2017

Shedron Davis, Executive Director
Alpha and Omega Nutrition Program, Inc.
3145 Hickory Hill Road, Suite 105
Memphis, Tennessee 38115-2518

Dear Ms. Davis:

The Department of Human Services (DHS) Audit Services staff conducted an on-site unannounced review of the Child and Adult Care Food Program (CACFP) at Alpha and Omega Nutrition Program, Inc. (Sponsor), Application Agreement 00085, on April 25, 2017. We reviewed the Sponsor's records of reimbursements and expenditures for January 2017. The purpose of this review was to determine if the sponsoring organization complied with *Title 7 of the Code of Federal Regulations* (CFR) applicable parts, application agreement, and applicable Federal and State regulations.

Background

CACFP Sponsors utilize meal count sheets to record the number of meals served for breakfast, lunch, supper and supplements meals served. Meals served by participating Sponsors must meet the minimum guidelines set by the United States Department of Agriculture (USDA) and DHS to be eligible for reimbursement. The CACFP Sponsor reports the number of meals served through the DHS Tennessee Information Payment System (TIPS) to seek reimbursement.

We inspected meal count sheets for our test period and reconciled the meals claimed to the meals reported as served for each meal service. We also assessed compliance with civil rights requirements and observed select meal services at the sample feeding sites.

Three types of programs were evaluated during the test month of January 2017- Childcare Centers, Homes and At-Risk sites. Our sample included one Childcare Center, eight Homes and one at At-Risk site.

Our review of the three programs operated by the Sponsor for the review period disclosed the following:

Childcare Centers

The Sponsor had five childcare centers in operation during the month of January 2017. The Academy of Creative Learning was selected as the sample site. Applications were also viewed at Kids Palace Learning Center to meet the required valid statistical sample.

Our review of the Sponsor's records for the test month of January 2017 disclosed the following:

1. The number of participants reported in the free, reduced-price, and paid categories was incorrect

Condition

The Claim for Reimbursement for the test month reported 129 participants in the free category, six participants in the reduced-price category and 24 participants in the paid category for the sample site, The Academy of Creative Learning, and the applications viewed to meet the valid statistical sample at Kids Palace Learning Center. However, our review of the Sponsor's records verified there were 132 participants in the free category, five participants in the reduced-price category and 22 participants in the paid category. The differences were based on the following:

- There were three participants reported in the paid category, but according to their applications should have been reported in the free category at The Academy of Creative Learning. The participants were reclassified as free.
- There was one participant reported in the reduced-price category, but according to their application should have been reported in the paid category at The Academy of Creative Learning. The participant was reclassified as paid.
- There was one participant reported in the free category, but according to their application should have been reported in the reduced-price category at The Academy of Creative Learning. The participant was reclassified as reduced-price.
- There was one participant reported in the reduced-price category, but according to their application should have been reported in the free category at the Academy of Creative Learning. The participant was reclassified as free.
- There was one participant reported in the paid category, but according to their application should have been reported in the free category at Kids Palace Learning Center. The participant was reclassified as free.
- There was one participant reported in the free category, but did not have an application on file at Kids Palace Learning Center. The participant was reclassified as paid.

This is a repeat finding from a previous report dated July 20, 2016.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10 (c) states that "... In submitting a Claim for Reimbursement, each institution shall certify that the claim is correct and that records are available to support that claim."

The Tennessee Child and Adult Care Food Program Policies and Procedures Manual (p. 18) states "To operate the CACFP and receive reimbursement, all independent child care

centers and sponsoring organizations must keep accurate records on the eligibility of enrolled participants for free and reduced-price meals.”

Recommendation

The Sponsor should ensure that each participant is classified and reported according to the income eligibility application for child care center participants and kept on file.

2. There were menus that did not meet USDA meal pattern requirements

Condition

The following menus for The Academy of Creative Learning did not contain the required components:

Date	Deficient or Missing Component	Disallowed Meals (# and type)
01-04-17	Deficient component: Meat/Meat Alternate Menu listed- Milk, fish sticks, fruit cocktail, potatoes and rolls The CN label and serving size provided by the Sponsor for the fish sticks provided 1 ounce of protein per serving. This amount is not sufficient for participants ages 3 and older.	15 Lunches
01-18-17	Deficient component: Meat/Meat Alternate Menu listed- Milk, fish sticks, potatoes, pears and rolls The CN label and serving size provided by the Sponsor for the fish sticks provided 1 ounce of protein per serving. This amount is not sufficient for participants ages 3 and older.	16 Lunches
01-31-17	Deficient component: Meat/Meat Alternate Menu listed- Milk, fish sticks, peaches, beans and rolls The CN label and serving size provided by the Sponsor for the fish sticks provided 1 ounce of protein per serving. This amount is not sufficient for participants ages 3 and older.	17 Lunches

As a result, the cost reimbursements for 48 lunches were disallowed.

Criteria

Title 7 of the Code of Federal Regulations Section 226.17(b)(4) states. “Each child care center participating in the Program shall claim only the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20 ...”

In addition, the Tennessee Child and Adult Care Food Program Policies and Procedures Manual (p. 23) states that “An institution must maintain menus that meet the following requirements: a. All food components, as required for each type of meal to be served (i.e., breakfast, lunch, supper and supplement), are identified.”

The USDA Crediting Foods in the Child and Adult Care Food Program, page 62, states, “When crediting such products as chili-macs, pizzas, pot pies, sloppy Joes, and ravioli toward the meat/meat alternate component, the amount of meat/meat alternate per serving (not the total portion size) is the determining factor for crediting purposes. Because of the

uncertainty of the actual amount of meat/meat alternate contained in these products, they should not be used unless (1) they are CN-labeled; or (2) you obtain a Product Formulation Statement signed by an official of the manufacturer (not a sales person) that shows how the crediting has been determined. Remember that only a CN-labeled product carries a warranty that protects against financial audit claims. See the sample formulation statement on page 73 with required information and documentation."

Recommendation

The Sponsor should implement the following:

- The Sponsor should keep copies of commercially prepared food CN labels or Product Formulation Statements on file and follow the recommended serving sizes/equivalents listed on the label.
- The Sponsor should ensure all meals prepared meet the meal patterns established by the USDA, and menus should be reviewed to ensure they contain all required meal components to be eligible as a reimbursable meal.

Disallowed Meals Cost for Centers

Based on the review, we determined that the Sponsor's noncompliance with the applicable Federal and State regulations that govern the CACFP resulted in a total disallowed cost of \$19.29.

Homes

There were 70 homes operation during the test month of January 2017. Shina Carter #0016, Linda Davis #0021, Beverly Graham # 0028, Angela Hampton # 0032, Toya Howard # 0035, Quierra Johnson #0041, Edna Partee # 0056 and Teresa Pugues #0080 were selected as sample sites.

Our review of the Sponsor's records for the test month of January 2017 disclosed the following:

3. The Sponsor reported incorrect meal counts

Condition

The Claim for Reimbursement for the test month had 1,145 breakfasts, 805 lunches, 1,133 supplements and 477 suppers served at the sample sites. However, our review of Sponsor records verified 1,182 breakfasts, 813 lunches, 1,148 supplements and 494 suppers prior to any meal disallowances. Due to the inconsistency of the reporting of meals a cost reimbursement difference resulted. The differences were based on the following:

Shina Carter # 0016

- The Sponsor reported 24 breakfasts, 12 lunches, and 24 supplements served. However, our review of Sponsor records showed 30 breakfasts, 15 lunches and 28 supplements.

Linda Davis #0021

- The Sponsor reported 261 breakfasts, 145 lunches, 282 supplements and 145 suppers served. However, our review of the Sponsor's records showed 269 breakfasts, 145 lunches, 284 supplements, and 146 suppers. Audit services staff observed a breakfast on January 27, 2017 and observed four breakfasts served, but three were reported. That difference is reflected in the numbers listed.

Angela Hampton #0032

- The Sponsor reported 182 breakfasts, 16 supplements, and 156 suppers. However our review of the Sponsor's records showed 198 breakfasts, 16 supplements, and 172 suppers.

Toya Howard # 0035

- The Sponsor reported 93 breakfasts, 93 lunches and 134 supplements. However, our review of the Sponsor's records showed 100 breakfasts, 97 lunches, and 140 supplements. Audit services staff observed a lunch on January 30, 2017 and observed five lunches served, but seven were reported. That difference is reflected in the numbers listed.

Edna Partee #0056

- The Sponsor reported 189 breakfasts, 193 lunches and 180 supplements. However our review of the Sponsor's records showed 189 breakfasts, 194 lunches and 180 supplements.

Teresa Pugues #0080

- The Sponsor reported 89 lunches, 89 supplements and 176 suppers. However our review of the Sponsor's records verified 89 lunches, 92 supplements and 176 suppers. Audit services staff observed a lunch on January 26, 2017 and observed zero lunches served, but three were reported. That difference is reflected in the numbers listed.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10 (c) states that "... In submitting a Claim for Reimbursement, each institution shall certify that the claim is correct and that records are available to support that claim. ..."

In addition, the Tennessee Child and Adult Care Food Program Policies and Procedures Manual (p. 41) states that "All independent child care centers, outside-school-hours centers, and sponsoring organizations of child care centers must submit to the TDHS accurate monthly reports on the number of meals served."

Recommendation

The Sponsor should ensure that claims for reimbursement are completed correctly and based on the proper supporting documents, such as meal count sheets.

4. Meal counts and attendance sheets were not maintained at three homes

Condition

There were homes that did not maintain meal counts and attendance sheets.

- At the site visit to the Hampton home on January 26, 2017, meal count and attendance records were not available from January 2, 2017 through January 25, 2017. However, the Sponsor provided meal counts and attendance for the entire month of January 2017. Therefore, meals weren't disallowed.
- At the site visit to the Pugues home on January 26, 2017, meal count and attendance records were not available from January 2, through January 25, 2017. However, the Sponsor provided meal counts and attendance for the entire month of January 2017. Therefore, meals weren't disallowed.
- At the site visit to the Davis home on January 27, 2017, the meal count and attendance records were not available from January 2, 2017 through January 26, 2017. However, the Sponsor provided meal counts and attendance for the entire month of January 2017. Therefore, meals weren't disallowed.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.18 (g) states, "Each day care home shall comply with the recordkeeping requirements established in § 226.10(d) and in this section. Failure to maintain such records shall be grounds for the denial of reimbursement."

The Tennessee Child and Adult Care Food Program Policies and Procedures Manual (p.10) states that "Child care home providers must keep daily records on attendance, menus and meal counts to support their sponsoring organization's meal service claim".

Recommendation

The Sponsor should ensure the providers have meal count and attendance done daily to support the Sponsors claim for reimbursement.

5. There were menus that did not meet USDA meal pattern requirements

Condition

The following menus did not contain the required components:

Date	Deficient or Missing Component	Number of meals Disallowed
	Beverly Graham's Home #0028	
01-05-17	Missing component: Second creditable component Menu Listed: Apple or Veggie S and Apple Juice All menu items listed are considered to be a fruit or vegetable. Two separate components must be listed for the meal to be eligible for reimbursement	14 Supplements
01-19-17	Deficient component: Meat/Meat Alternate Menu listed- Milk, fish sticks, yeast rolls, apple sauce and broccoli The CN label and serving size provided by the Sponsor for the fish sticks provided 1 ounce of protein per serving. This amount is not	3 Lunches

Date	Deficient or Missing Component	Number of meals Disallowed
	sufficient for participants ages 3 and older.	
01-31-17	Deficient component: Meat/Meat Alternate Menu listed- Milk, fish sticks, yeast rolls, peaches and carrots The CN label and serving size provided by the Sponsor for the fish sticks provided 1 ounce of protein per serving. This amount is not sufficient for participants ages 3 and older.	3 Lunches
	Toya Howard #0035	
01-03-17	Deficient component: Meat/Meat Alternate Menu listed- Milk, fish sticks, whole wheat rolls, apple sauce and mixed vegetables. The CN label and serving size provided by the Sponsor for the fish sticks provided 1 ounce of protein per serving. This amount is not sufficient for participants ages 3 and older.	2 Lunche
01-10-17	Deficient component: Meat/Meat Alternate Menu listed- Milk, fish sticks, whole wheat rolls, corn and pears. The CN label and serving size provided by the Sponsor for the fish sticks provided 1 ounce of protein per serving. This amount is not sufficient for participants ages 3 and older.	2 Lunches
01-24-17	Deficient component: Meat/Meat Alternate Menu listed- Milk, fish sticks, whole wheat rolls, apple sauce and French fries. The CN label and serving size provided by the Sponsor for the fish sticks provided 1 ounce of protein per serving. This amount is not sufficient for participants ages 3 and older.	2 Lunches
01-31-17	Deficient component: Meat/Meat Alternate Menu listed- Milk, fish sticks, whole wheat rolls, apple sauce and mixed vegetables. The CN label and serving size provided by the Sponsor for the fish sticks provided 1 ounce of protein per serving. This amount is not sufficient for participants ages 3 and older.	2 Lunches
	Quierra Johnson 0041	
01-09-17	Deficient component: Meat/meat Alternate Menu listed- Baked corn dog nuggets, fresh melons, garden salad with lettuce and tomatoes, sliced white bread and milk. The label provided for the baked corn dog nuggets is not a Child Nutrition label and does not detail the amount of protein in ounces per serving. A product formulation statement was not provided by the Sponsor. Therefore the amount of protein could not be determined	12 Lunches
01-26-17	Missing component: Fruit/vegetable/juice component: Menu listed-Milk, yogurt, and French Toast (Audit review staff was present and observed this meal and the menu listed the above components as well)	6 Breakfasts
	Edna Partee 0056	
01-04-17	Deficient component: Meat/Meat Alternate Menu listed- Milk, fish sticks, rolls, peaches and green beans. The CN label and serving size provided by the Sponsor for the fish sticks provided 1 ounce of protein per serving. This amount is not sufficient for participants ages 3 and older.	3 Lunches
01-12-17	Deficient component: Meat/Meat Alternate Menu listed- Milk, fish sticks, rolls, peaches and green beans. The CN label and serving size provided by the Sponsor for the fish sticks provided 1 ounce of protein per serving. This amount is not sufficient for participants ages 3 and older..	3 Lunches
01-19-17	Deficient component: Meat/Meat Alternate Menu listed- Milk, fish sticks, white bread, broccoli, carrots and pears. The CN label and serving size provided by the Sponsor for the fish	3 Lunches

Date	Deficient or Missing Component	Number of meals Disallowed
	sticks provided 1 ounce of protein per serving. This amount is not sufficient for participants ages 3 and older.	
01-20-17	Missing component: Second creditable component Menu Listed: Apple or Veggie S and Apple Juice All menu items listed are considered to be a fruit or vegetable. Two separate components must be listed for the meal to be eligible for reimbursement	10 Supplements
01-23-17	Deficient component: Meat/Meat Alternate Menu listed- Milk, fish sticks, white bread, corn and apple sauce. The CN label and serving size provided by the Sponsor for the fish sticks provided 1 ounce of protein per serving. This amount is not sufficient for participants ages 3 and older.	2 Lunches
	Teresa Pugues' Home #0080	
01/17/17	Deficient component: Meat/Meat Alternate Menu listed- Milk, fish sticks, bread sticks, carrots and figs. The CN label and serving size provided by the Sponsor for the fish sticks provided 1 ounce of protein per serving. This amount is not sufficient for participants ages 3 and older.	2 Lunches

As a result, the cost reimbursement for six breakfasts, 39 lunches, and 24 supplements were disallowed.

Criteria

Title 7 of the Code of Federal Regulations Section 226.17(b)(4) states. "Each child care center participating in the Program shall claim only the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20 ..."

In addition, the Tennessee Child and Adult Care Food Program Policies and Procedures Manual (p. 23) states that "An institution must maintain menus that meet the following requirements: a. All food components, as required for each type of meal to be served (i.e., breakfast, lunch, supper and supplement), are identified."

The USDA Crediting Foods in the Child and Adult Care Food Program, page 62, states, "When crediting such products as chili-macs, pizzas, pot pies, sloppy Joes, and raviolis toward the meat/meat alternate component, the amount of meat/meat alternate per serving (not the total portion size) is the determining factor for crediting purposes. Because of the uncertainty of the actual amount of meat/meat alternate contained in these products, they should not be used unless (1) they are CN-labeled; or (2) you obtain a Product Formulation Statement signed by an official of the manufacturer (not a sales person) that shows how the crediting has been determined. Remember that only a CN-labeled product carries a warranty that protects against financial audit claims. See the sample formulation statement on page 73 with required information and documentation."

Recommendation

The Sponsor should implement the following:

- The Sponsor should keep copies of commercially prepared food CN labels or Product Formulation Statements on file and follow the recommended serving sizes/equivalents listed on the label.

- The Sponsor should ensure all meals prepared meet the meal patterns established by the USDA, and menus should be reviewed to ensure they contain all required meal components to be eligible as a reimbursable meal.

6. A meal observed did not meet USDA component requirements

Condition

- During the site visit at Johnson home # 0041 on January 26, 2017, the breakfast served to six children consisted of yogurt, milk, and French toast sticks. The meal was missing the fruit/vegetable/juice component. The meals were disallowed in finding 3.
- During the site visit at the Carter home # 0016 on January 27, 2017, the lunch served to 5 participants consisted of chicken nuggets, jello, peas and milk. The meal was missing the second fruit vegetable /juice component. The Sponsor did not claim any meals for the provider on January 27, 2017.

Criteria

Title 7 of the Code of Federal Regulations Section 226.17(b)(4) states. "Each child care center participating in the Program shall claim only the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20 ..."

In addition, the Tennessee Child and Adult Care Food Program Policies and Procedures Manual (p. 23) states that "An institution must maintain menus that meet the following requirements: a. All food components, as required for each type of meal to be served (i.e., breakfast, lunch, supper and supplement), are identified."

Recommendation

The Sponsor should ensure the provider is knowledgeable of the meal pattern requirements established by the USDA, and menus should be reviewed to ensure they contain all required meal components to be eligible as a reimbursable meal.

7. The Sponsor did not use the DHS approved monitoring guide as required

Condition

The Sponsor utilized its own monitoring forms. According to the management plan in TIPS, the Sponsor agreed to use the standard DHS issued monitoring form for the required monitoring. However, the DHS standard monitoring form was not utilized to complete the feeding site reviews for any of the monitoring.

Criteria

The *USDA FNS Code of Federal Regulations 7 CFR, Section 226.16 (d) (4) (i) (F) (iii)*, describes the frequency and type of reviews that a sponsoring organization is responsible for conducting each year. In addition, the Tennessee Child and Adult Care Food Program Policies and Procedures Manual states that "sponsoring organizations must ensure that each center is monitored at least three times per year and that two monitoring visits must be unannounced." The standard monitoring guide issued by DHS must be utilized to complete all feeding site reviews, and must be maintained for inspection by state and federal personnel.

Recommendation

The Sponsor should get prior approval before utilizing its own monitoring form, or the Sponsor should obtain the standard monitoring guide issued by the Department of Human Services and ensure that it is utilized in its entirety at each site when monitoring is required.

8. Sponsor claimed more types of meals than were allowed

Condition

On January 23, 2017, the Sponsor claimed breakfast, lunch, supplement and dinner for six participants at the Davis home #0021. This is over the maximum number of allowed meals per participant per day.

As a result of our testing, the cost reimbursement for six breakfasts was disallowed.

Criteria

Title 7 of the Code of Federal Regulations Section 226.18 (16)(c) states "Each day care home must serve one or more of the following meal types—breakfast, lunch, supper, and snack. Reimbursement may not be claimed for more than two meals and one snack, or one meal and two snacks, provided daily to each child."

As a result six breakfasts were disallowed.

Recommendation

The Sponsor should ensure that the maximum number of meal types per participant per day is not exceeded.

9. The Sponsor did not provide documentation for the required annual CACFP training for two home providers

The Sponsor provided documentation for the required annual training. However, two providers, Shina C. and Teresa P. were not listed nor signed in on the roster.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.15 (e) states, "Each institution shall establish procedures to collect and maintain all program records required under this part, as well as any records required by the State agency. Failure to maintain such records shall be grounds for the denial of reimbursement for meals served during the period covered by the records in question and for the denial of reimbursement for costs associated with such records. At a minimum, the following records shall be collected and maintained: ... (12) Information on training session date(s) and location(s), as well as topics presented and names of participants;"

Recommendation

The Sponsor should document CACFP training annually for all home providers.

Disallowed Meal Cost for Homes

Based on the review of Alpha and Omega Nutrition Program's homes, we determined that the Sponsor's noncompliance with the applicable Federal and State regulations that govern the CACFP resulted in a total disallowed cost of \$129.18.

At-Risk

There were three at risk sites in operation during the test month of January 2017. One site, Nexlevel Youth Empowerment Zone #0017, was selected as the sample site.

Our review of the Sponsor's at risk records for the test month of January 2017 revealed the following:

10. One supper menu did not contain all required components

Condition

A supper meal must include two servings of fruit and/or vegetables. The supper menu on March 24, 2017 lists milk, fish sticks, buns/rolls, baked beans and pears. The CN label and serving size provided by the Sponsor for the fish sticks provided 1 ounce of protein per serving. This amount is not sufficient as meals served to at risk participants require two ounces of meat or meat alternate. As a result, the cost reimbursed for 42 suppers will be disallowed.

Criteria

Title 7 of the Code of Federal Regulations Section 226.17(b)(4) states. "Each child care center participating in the Program shall claim only the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20 ..."

Recommendation

The Sponsor should ensure all meals prepared meet the meal patterns established by the USDA, and menus should be reviewed to ensure they contain all required meal components to be eligible as a reimbursable meal.

Disallowed Costs for At-risk sites

Based on the review, we determined that the Sponsor's noncompliance with the applicable Federal and State regulations that govern the CACFP resulted in a total disallowed cost of \$142.38.

11. Sponsor did not separately track expenditures for their CACFP Programs in their general ledger

Condition

The Sponsor used transactions documented in their bank statements, which comingles their three CACFP programs (At-Risk, Unaffiliated Centers and Homes), as the basis for posting transactions to their general ledger accounts. We were able to trace all the expenditures tested to the Sponsor's general ledgers and bank statements. However, we could not determine how much was allocated to each program due to the general ledger being

comingled. The Sponsor did provide a spreadsheet that allocated the Homes and Centers/At-risk program expenses for the operating period. Homes were allocated at 33%, and Unaffiliated and At-risk Centers were combined together at 67%. The percentage allocation is not reflected or allocated in the general ledger under each separate program.

Criteria

Per the USDA Guidance for Management Plans and Budget, A Child and Adult Care Food Program Handbook - Banking (Page 16), "The CACFP regulations do not require institutions to maintain any specific type of banking system. CACFP funds may be comingled with other funds in one single bank account or they may be kept separate from other funds in a segregated bank account. However, if funds are comingled, the institution and State agency must be able to track CACFP-related income and expenses separately from other funds."

Recommendation

The Sponsor should ensure that its financial management system allows for each of the three programs' revenue and expenditures transaction be identified and tracked.

12. Employees' time and attendance records did not adequately document actual time worked in each program

Condition

Alpha and Omega's employee time and attendance records did not document the actual time that the employee worked in each program.

Criteria

FNS Instruction 796-2, Rev. 4, Page 45 (2) Documentation Requirements states, in part, "Time and attendance reports for all labor costs (salaries, wages, and benefits) charged to the Program for hourly or salaried employees for part-time, full-time or piece-work. These reports must identify the total time actually worked by the employee, not just the time spent on Program activities. At a minimum, these reports must include: (i) Start time; (ii) End time; and (iii) Absences. (b) The report must be prepared timely and coincide with the employee's pay period: (i) For employees with fixed start and end times, the time and attendance report must be prepared daily for all periods of absences beyond normal meal and break periods. (ii) For employees with variable start and end times, the time and attendance report must be prepared daily. Unless required by the institution, employees with established start and end times are not required to complete daily sign-in and sign-out sheets. At the discretion of the State agency, daily sign-in and sign-out sheets may be required for employees with variable start and end times, unless prohibited by a negotiated labor-management agreement between the institution and its employees. (3) Time distribution reports. To establish the portion of costs that may be claimed for reimbursement or charged to the institution's nonprofit food service account as Program labor, a daily log or other time distribution method must be used. (a) These reports must be completed by all employees, both full-time and part-time, and must account for the total activity for which each employee is compensated".

Recommendation

The Sponsor should ensure that time records adequately document the actual time worked in each program.

Total Disallowed Meal Cost

Based on the review, we determined that the Sponsor's noncompliance with the applicable Federal and State regulations that govern the CACFP resulted in a total disallowed cost of \$290.85.

Corrective Action

Alpha and Omega Nutrition Program, Inc. must complete the following actions within 30 days from the date of this report:

- Login to the Tennessee Information Payment System (TIPS) and revise the claims submitted for each site or home for January 2017, which contains the claim data from the enclosed exhibits.
- Remit a check payable to the ***Tennessee Department of Human Services*** in the amount of \$290.85 for recovery of the amounts disallowed in this report. **Please return the attached billing notice with your check;** and
- Prepare and submit a corrective action plan to address the deficiencies identified in this report. The corrective action plan template is attached. Please return the corrective action plan to:

AuditServices.CAPS.DHS@tn.gov

If you have questions relative to the corrective action plan please contact:

Allette Vayda, Director
Child and Adult Care Food Program
8th Floor Citizens Plaza Building
400 Deaderick Street
Nashville, Tennessee 37243
Allette.Vayda@tn.gov
(615) 313-3769

Please note that the amount of disallowed cost is subject to an interest charge. The interest charge will be waived if your revised claim within 30 days from the date of this report. If the revised claim is not completed by the 30-day deadline, an interest charge may be billed to your institution. Please mail your check and the billing notice to:

Child and Adult Care Food Program
Fiscal Services
11th Floor, Citizens Plaza Building
400 Deaderick Street
Nashville, Tennessee 37243

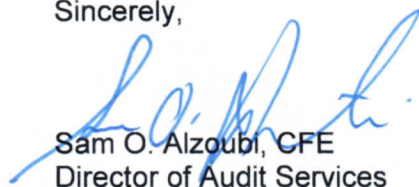
In accordance with the federal regulation found at 7 CFR Part 226.6 (k), your institution may appeal the amount of disallowed cost identified in this monitoring report. The procedures for submitting an appeal are enclosed. The appeal must be submitted to:

Tennessee Department of Human Services
Appeals and Hearings Division, Clerk's Office
P.O. Box 198996
Nashville, TN 37219

If the Institution decides to appeal the amount of disallowed administrative and meals cost, all appeal procedures must be followed as failure to do so may result in the denial of your request for an appeal.

We appreciate the assistance provided during this review. If you have any questions regarding this report, please contact Jackie Yokley, Audit Director 2, at 615-837-5035 or Jackie.D.Yokley@tn.gov.

Sincerely,



Sam O. Alzoubi, CFE
Director of Audit Services

Exhibits

cc: Marcus Stansberry, Chairman of the Board, Alpha and Omega Nutrition Program, Inc.
Allette Vayda, Director, Child and Adult Care Food Programs
Debra Pasta, Program Manager, Child and Adult Care Food Program
Constance Moore, Program Specialist, Child and Adult Care Food Program
Marty Widner, Program Specialist, Child and Adult Care Food Program
Elke Moore, Administrative Services Assistant 3
Comptroller of the Treasury, State of Tennessee

EXHIBIT A**Verification of CACFP Sponsor of Unaffiliated Centers Claim****Name of Agency: Alpha and Omega Nutrition Program, Inc.****Review Month/Year: January 2017****Total Meal Reimbursement Received: \$14,826.90**

Program Area	Reported on Claim	Verified By Monitoring Review
Number of Days that CACFP Food Service was operated	20	20
Total Attendance	3,809	3,809
Percentage of Participants in the Free or Reduced-price Category (For Proprietary Center Only)	XXXXXX	84%
Number of Breakfasts Served	2,419	2,419
Number of Lunches Served	2,249	2,201
Number of Supplements Served	2,957	2,957
Number of Suppers Served	836	836
Number of Participants in Free Category	203	206
Number of Participants in Reduced-Price Category	7	6
Number of Participants in Paid Category	43	41
Total Number of Participants	253	253

EXHIBIT B**Individual Unaffiliated Center Review Data**

Name of Center: The Academy of Creative Learning
Reimbursement: \$4,994.79

Program Area	Reported on Claim	Verified by Monitoring Review
Number of Days that CACFP Food Service was operated	19	19
Total Attendance	1,284	1,284
Percentage of Participants in the Free or Reduced-price Category (For Proprietary Center Only)	XXXXXXXX	91%
Number of Breakfasts Served	1,122	1,122
Number of Lunches Served	808	760
Number of Supplements Served	1,140	1,140
Number of Participants in Free Category	70	73
Number of Participants in Reduced-Price Category	6	5
Number of Participants in Paid Category	10	8
Total Amount of Food Costs	XXXXXXXX	\$2,179.26
Total Amount of Eligible Food and Nonfood Costs	XXXXXXXX	\$805.06

EXHIBIT C**Individual Unaffiliated Center Review Data****Name of Center: Kidz Palace Learning Center****Reimbursement: \$4,174.23**

Program Area	Reported on Claim	Verified by Monitoring Review
Number of Days that CACFP Food Service was operated	NA	NA
Total Attendance	NA	NA
Percentage of Participants in the Free or Reduced-price Category (For Proprietary Center Only)	XXXXXXXX	81%
Number of Breakfasts Served	NA	NA
Number of Lunches Served	NA	NA
Number of Suppers Served	NA	NA
Number of Supplements Served	NA	NA
Number of Participants in Free Category	59	59
Number of Participants in Reduced-Price Category	0	0
Number of Participants in Paid Category	14	14
Total Amount of Food Costs	XXXXXXXX	NA
Total Amount of Eligible Food and Nonfood Costs	XXXXXXXX	NA

EXHIBIT D

Verification of CACFP Claim for Home Sponsor

Sponsor: Alpha and Omega Nutrition Program, Inc.

Review Month/Year: January 2017

Total Amount Paid to Sponsor for Reported Meals: \$44,941.26

Total Sponsor Admin Paid: \$7,320

Total Sponsor Admin Due Based on Number of Homes: \$7,320

Program Area	Reported on Claim	Verified by Monitoring Review
Number of Tier 1 Breakfasts Served	8,483	8,508
Number of Tier 1 Lunches Served	8,425	8,394
Number of Tier 1 Suppers Served	2,218	2,235
Number of Tier 1 Supplements Served	10,354	10,345
Total Number of Tier 1 Homes	70	70
Total Number of Homes	70	70

EXHIBIT E

Individual Home Review Data

Name of Home/Tier Type: Shina Carter # 0016 Tier 1

Sponsor Reimbursement Paid to the Home: \$78.48

Reimbursement due based on Reported Information: \$78.48

Reimbursement due based on Verified Information: \$96.64

Program Area	Reported	Verified by Monitoring Review
Number of Days that CACFP Food Service was operated	2	2
Average Daily attendance	12	15
Number of Tier 1 Breakfasts Served	24	30
Number of Tier 1 Lunches Served	12	15
Number of Tier 1 Supplements Served	24	28

EXHIBIT F

Individual Home Review Data

Name of Home/Tier Type: Linda Davis # 0021 Tier 1

Sponsor Reimbursement Paid to the Home: \$1,261.17

Reimbursement due based on Reported Information: \$1,261.17

Reimbursement due based on Verified Information: \$1,267.71

Program Area	Reported	Verified by Monitoring Review
Number of Days that CACFP Food Service was operated	21	21
Average Daily Attendance	14	14
Number of Tier 1 Breakfasts Served	261	263
Number of Tier 1 Lunches Served	145	145
Number of Tier 1 Suppers Served	145	146
Number of Tier 1 Supplements Served	282	284

EXHIBIT G

Individual Home Review Data

Name of Home/Tier Type: Beverly Graham # 0028 Tier 1

Sponsor Reimbursement Paid to the Home: \$897.54

Reimbursement due based on Reported Information: \$897.54

Reimbursement due based on Verified Information: \$870.10

Program Area	Reported	Verified by Monitoring Review
Number of Days that CACFP Food Service was operated	20	20
Average Daily Attendance	15	15
Number of Tier 1 Breakfasts Served	269	269
Number of Tier 1 Lunches Served	140	133
Number of Tier 1 Supplements Served	275	261

EXHIBIT H

Individual Home Review Data

Name of Home/Tier Type: Angela Hampton # 0032 Tier 1

Sponsor Reimbursement Paid to the Home: \$633.86

Reimbursement due based on Reported Information: \$633.86

Reimbursement due based on Verified Information: \$694.18

Program Area	Reported	Verified by Monitoring Review
Number of Days that CACFP Food Service was operated	22	22
Average Daily Attendance	9	9
Number of Tier 1 Breakfasts Served	182	198
Number of Tier 1 Suppers Served	156	172
Number of Tier 1 Supplements Served	16	16

EXHIBIT I

Individual Home Review Data

Name of Home/Tier Type: Toya Howard # 0035 Tier 1

Sponsor Reimbursement Paid to the Home: \$448.43

Reimbursement due based on Reported Information: \$448.43

Reimbursement due based on Verified Information: \$452.14

Program Area	Reported	Verified by Monitoring Review
Number of Days that CACFP Food Service was operated	19	19
Average Daily Attendance	8	8
Number of Tier 1 Breakfasts Served	93	100
Number of Tier 1 Lunches Served	93	89
Number of Tier 1 Supplements Served	134	140

EXHIBIT J

Individual Home Review Data

Name of Home/Tier Type: Quierra Johnson # 0041Tier 1

Sponsor Reimbursement Paid to the Home: \$590.64

Reimbursement due based on Reported Information: \$590.64

Reimbursement due based on Verified Information: \$553.26

Program Area	Reported	Verified by Monitoring Review
Number of Days that CACFP Food Service was operated	20	12
Average Daily Attendance	11	12
Number of Tier 1 Breakfasts Served	127	121
Number of Tier 1 Lunches Served	133	121
Number of Tier 1 Supplements Served	133	133

EXHIBIT K

Individual Home Review Data

Name of Home/Tier Type: Edna Partee # 0056 Tier 1

Sponsor Reimbursement Paid to the Home: \$853.77

Reimbursement due based on Reported Information: \$853.77

Reimbursement due based on Verified Information: \$821.87

Program Area	Reported	Verified by Monitoring Review
Number of Days that CACFP Food Service was operated	20	20
Average Daily Attendance	11	10
Number of Tier 1 Breakfasts Served	189	189
Number of Tier 1 Lunches Served	193	183
Number of Tier 1 Supplements Served	180	170

EXHIBIT L

Individual Home Review Data

Name of Home/Tier Type: Teresa Pugues # 0080 Tier 1

Sponsor Reimbursement Paid to the Home: \$716.87

Reimbursement due based on Reported Information: \$716.87

Reimbursement due based on Verified Information: \$714.14

Program Area	Reported	Verified by Monitoring Review
Number of Days that CACFP Food Service was operated	22	22
Average Daily Attendance	8	8
Number of Tier 1 Lunches Served	89	87
Number of Tier 1 Suppers Served	176	176
Number of Tier 1 Supplements Served	89	92

EXHIBIT M**Verification of CACFP After-School Snack Program****Name of Sponsor:** Alpha and Omega Nutrition Program, Inc.**Review Month/Year:** January 2017**Total Meal Reimbursement Received:** \$20,019.01

Program Area	Reported on Claim	Verified by Monitoring Review
Number of Days that CACFP Food Service was operated	21	21
Total Attendance	4,763	4,763
Number of Supplements Served	4,763	4,763
Number of Suppers Served	4,697	4,655

EXHIBIT N**Sample Site:** Nexlevel Youth Empowerment

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled Meals to Meal Counts Sheets
Total Number of Days Food Served	19	19
Total Attendance	682	682
Number of Suppers Served	622	580
Number of Supplements Served	682	682

EXHIBIT O

Disallowed Costs	
Sponsored centers disallowed costs	\$19.29
Sponsored homes disallowed costs	\$129.18
Sponsored at risk disallowed costs	\$142.38
Total Disallowed Costs	\$290.85



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

CITIZENS PLAZA BUILDING
400 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1403

TELEPHONE: 615-532-4528 FAX: 615-741-4165
TTY: 1-800-270-1349
www.tn.gov/humanservices

BILL HASLAM
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

October 20, 2017

Shedron Davis, Executive Director
Alpha and Omega Nutrition Program, Inc.
3145 Hickory Hill Road, Suite 103B
Memphis, Tennessee 38115-2518

**Notice of payment due to findings disclosed in the monitoring report dated October 20, 2017, for
Child and Adult Care Food Program (CACFP).**

Institution Name:	Alpha and Omega Nutrition Program, Inc.
Institution Address:	3145 Hickory Hill Road, Suite 105 Memphis TN 38115
Agreement Numbers:	00085
Amount Due:	\$290.85
Due Date:	November 20, 2017

Based on the monitoring report issued on October 20, 2017, by the Audit Services Division within the Tennessee Department of Human Services, the Community and Social Services- Food Programs- CACFP & SFSP management has agreed with the findings which require Alpha and Omega Nutrition Program, Inc. to reimburse the Department of Human Services unallowed cost in the amount of \$290.85.

Please remit a check or money order payable to the ***Tennessee Department of Human Services*** in the amount of \$290.85 by the due date to:

**Tennessee Department of Human Services
Fiscal Services 11th Floor
Citizens Plaza Building
400 Deaderick Street
Nashville, Tennessee 37243-1403**

Please note that the unallowed cost / overpayment of the CACFP is subject to an interest charge. The interest charge will be waived if the payment is received by the due date. If payment is not received by the end of 5th day of the due date, an interest charge may be added to the original amount due and will be billed to your entity.

If you have any questions regarding this notice, please feel free to contact Allette Vayda, Director, Community and Social Services- Food Programs- CACFP & SFSP at (615) 313-3769 or Allette.Vayda@tn.gov

Thank you for your attention



Tennessee Department of Human Services

Corrective Action Plan for Monitoring Findings

Instructions: Please print in ink or type the information to complete this document. Enter the date of birth for each Responsible Principal and/or Individual in Section B. Attach the additional documentation requested. Enter your name, title and date of signature on the last page. Please sign your name in ink.
Please return ALL pages of the completed Corrective Action Plan form.

Section A. Institution Information

Name of Sponsor/Agency/Site: Alpha and Omega	Agreement No. 00085	<input type="checkbox"/> SFSP <input checked="" type="checkbox"/> CACFP
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Mailing Address: 3145 Hickory Hill Road Suite 105 Memphis, Tennessee 38155-2518

Section B. Responsible Principal(s) and/or Individual(s)

Name and Title: Shedron Davis, Executive Director	Date of Birth: / /
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Section C. Dates of Issuance of Monitoring Report/Corrective Action Plan

Monitoring Report: 10/20/2017	Corrective Action Plan: 10/20/2017
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Section D. Findings

Findings:

1. The number of participants reported in the free, reduced – price, and paid categories was incorrect
2. There were menus that did not meet USDA meal pattern requirements
3. The Sponsor reported incorrect meal counts
4. Meal counts and attendance sheets were not maintained at three homes
5. There were menus that did not meet USDA meal pattern requirements
6. A meal observed did not meet USDA components
7. The Sponsor did not use the DHS approved monitoring guide as required
8. The Sponsor claimed more types of meals than were allowed
9. The Sponsor did not provide documentation for the required annual CACFP training for two home providers
10. One supper menu did not contain all required components
11. The Sponsor did not separately track expenditures for their CACFP Programs in their general ledger
12. Employees' time and attendance records did not adequately document actual time worked in each program

The following measures will be completed within **30 calendar days** of my institution's receipt of this corrective action plan:

Measure No. 1: The number of participants reported in the free, reduced-price, and paid categories was incorrect

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No.2: There were menus that did not meet USDA meal pattern requirements

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 3: The Sponsor reported incorrect meal counts

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 4: Meal counts and attendance sheets were not maintained at three homes

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 5: There were menus that did not meet USDA meal pattern requirements

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No.6: A meal observed did not meet USDA component requirements

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 7: The Sponsor did not use the DHS approved monitoring guide as required

The finding will be fully and permanently corrected.
Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: Position Title:

Name: Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 8: The Sponsor claimed more types of meals than were allowed

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 9: The Sponsor did not provide documentation for the required annual CACFP training for two home providers

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 10: One supper menu did not contain all required components

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 11: The Sponsor did not separately track expenditures for their CACFP Programs in their general ledger

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 12: Employees' time and attendance records did not adequately document actual time worked in each program

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 9:

The finding will be fully and permanently corrected.
Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name: Position Title:

Name: Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

I certify by my signature below that I am authorized by the institution to sign this document. As an authorized representative of the institution, I fully understand the corrective measures identified above and agree to fully implement these measures within the required time frame. I also understand that failure to fully and permanently correct the findings in my institution's CACFP or SFSP will result in its termination from the program, and the placement of the institution and its responsible principals on the National Disqualified List maintained by the U.S. Department of Agriculture.

Printed Name of Authorized Institution Official:

Position:

Signature of Authorized Institution Official: _____

Date: / /

Signature of Authorized TDHS Official: _____

Date: / /

- (xi) The institution, one of its sponsored facilities, or one of the principals of the institution or its facilities has been convicted for any activity that indicates a lack of business integrity;

(c) Administrative review is also available if the State agency notifies the institution and responsible principal or responsible individual of the following actions: proposed disqualification of a responsible principal or responsible individual, denial of a budget, denial of a line item within a budget, downward adjustment of the amount approved in a budget, suspension of an institution's participation, denial of start-up or expansion funds, denial of a request for advanced payment, recovery of an advance in excess of a claim, denial of a claim for reimbursement (except for late submission), decision not to forward an exception request for payment of a late claim, overpayment demand, denial of a new or renewing institution's application for participation, denial of sponsored facility application, notice of proposed termination, claim denial, claim deadline exceptions and requests for upward adjustments to a claim, or any other action affecting an institutions participation or claim for payment.

3. All appeal requests must be presented in writing to the TDHS Division of Appeals and Hearings not later than 15 calendar days after the date the institution or sponsoring agency receives the notice of adverse administrative action.

4. The date of an institution's or sponsoring agency's receipt of a notice of suspension and/or proposed termination and disqualification will be governed by the federal regulation at 7 CFR Part 226.2. The notice must specify the action being proposed or taken and the basis for the action, and is considered to be received by the institution or day care home when it is delivered, sent by facsimile, or sent by email. If the notice is undeliverable, it is considered to be received by the institution, responsible principal or responsible individual, or day care home five days after being sent to the addressee's last known mailing address, facsimile number, or email address.

5. The TDHS Division of Appeals and Hearings will acknowledge the receipt of the appeal request within 10 calendar days of the receipt of the institution's or sponsoring agency's request for review. The written request for review should state if a fair hearing is requested or if a review of written information in lieu of a fair hearing is requested. If the appeal request from the institution or sponsoring agency does not specifically request a hearing, a review of written information in lieu of a hearing will occur. If a fair hearing is requested and the institution or sponsoring agency's representative fails to appear, the right to a personal appearance is waived.

6. If an institution or sponsoring agency does not request a fair hearing or a review of written information in lieu of the hearing within 15 calendar days from the date the institution or sponsoring agency receives a Notice of Proposed Termination, the TDHS will issue a letter advising the institution or sponsoring agency that it is terminated from the CACFP effective on the 16th calendar day following the institution's or sponsoring agency's receipt of the notice, and that the responsible principals and individuals of the institution or sponsoring agency are disqualified from participation.

7. To be considered for a fair hearing or for a review of written information in lieu of a fair

Appeal Procedures for Child and Adult Care Food Program-Institutions
Revised March 2017

hearing, all written documents must be submitted to the TDHS Division of Appeals and Hearings not later than 30 days after receipt of the notice of adverse administrative action.

8. The action of the TDHS must remain in effect during the administrative review. The effect of this requirement on particular actions by TDHS is as follows:

(i) *Overpayment demand.* During the period of the administrative review, TDHS is prohibited from taking action to collect or offset the overpayment. However TDHS must assess interest beginning with the initial demand for remittance of the overpayment and continuing through the period of administrative review unless the administrative review official overturns the TDHS's action.

(ii) *Recovery of advances.* During the administrative review, TDHS must continue its efforts to recover advances in excess of the claim for reimbursement for the applicable period. The recovery may be through a demand for full repayment or an adjustment of subsequent payments.

(iii) *Program payments.* The availability of Program payments during an administrative review of the denial of a new institution's application, denial of a renewing institution's application, proposed termination of a participating institution's agreement, and suspension of an institution are addressed in paragraphs (c)(1)(iii)(D), (c)(2)(iii)(D), (c)(3)(iii)(D), (c)(5)(i)(D), and (c)(5)(ii)(E), respectively, of 7 CFR §226.6.

9. The institution or sponsoring agency must refute the charges contained in the notice during the fair hearing or in the written information that is provided in lieu of the hearing.

10. The institution and the responsible principals and responsible individuals may retain legal counsel, or may be represented by another person.

11. If a fair hearing is requested, the institution or sponsoring agency will be notified in writing of the time, date and place of the fair hearing at least 10 calendar days in advance.

12. Any information which supports an adverse administrative action taken by the TDHS shall be available to the institution or sponsoring agency for inspection from the date of the receipt of the request for a fair hearing or a review of written information in lieu of the hearing.

13. In accordance with 7 CFR Part 226.6 (k)(8), the TDHS Division of Appeals and Hearings must conduct the administrative review of the proposed disqualification of the responsible principals and responsible individuals as part of the administrative review of the application denial, proposed termination, and/or proposed disqualification of the institution with which the responsible principals or responsible individuals are associated. However, at the administrative review official's discretion, separate administrative reviews may be held if the institution does not request an administrative review or if either the institution or the responsible principal or responsible individual demonstrates that their interests conflict.

14. The procedures contained in the Uniform Administrative Procedures Act found at TCA 4-5-301 et seq. shall be followed in rendering a decision on all appeals. The decision of the hearing officer is the final administrative determination to be afforded to the institution or sponsoring agency, and shall be rendered in a timely manner not to exceed 60 calendar days from the date of the receipt of the request for a fair hearing.

15. The processing limits for administrative appeals MUST be met. In the event a continuance is requested by a party, one continuance may be granted at the Hearing Official's discretion. This

Appeal Procedures for Child and Adult Care Food Program-Institutions
Revised March 2017

continuance shall not be for a period longer than ten (10) calendar days unless there are exceptional circumstances. Exceptional circumstances must be detailed in the order of continuance and the order must contain a date certain for the hearing, to be set as soon as possible. A report of pending CACFP desk review and fair hearing requests will be generated and reviewed daily by the Clerk's Office and the Legal Director for Appeals and Hearings who will monitor the dates for timeliness. In the event a decision has not been rendered within forty-five (45) calendar days of the date of receipt of the request for fair hearing or desk review, the Legal Director for Appeals and Hearings or their back-up shall notify the hearing official to take appropriate action.

16. All requests for a fair hearing or for a review of written information in lieu of a hearing must be submitted to:

Tennessee Department of Human Services
Division of Appeals and Hearings
PO Box 198996, Clerk's Office
Nashville, TN 37219-8996
Fax: (615) 248-7013 or (866) 355-6136
E-mail: AppealsClerksOffice.DHS@tn.gov

17. If a termination action is upheld by the hearing officer, the TDHS will issue a letter to the institution or sponsoring agency and its responsible principals and individuals advising that the termination and disqualification are effective on the date of the ruling issued by the hearing officer. The agency maintains searchable records of all administrative reviews and their dispositions for a period of five (5) years.

18. As required by 7 CFR Part 226.6 (c)(7), each disqualified institution, sponsoring agency, principal and individual will be placed on the National Disqualified List maintained by the U.S. Department of Agriculture (USDA). Once included on the National Disqualified List, an institution, sponsoring agency, principal and individual shall remain on the list until such time as the USDA, in consultation with the TDHS, determines that the serious deficiencies that led to their placement on the list have been corrected, or until seven years have elapsed since they were disqualified from participation. However, if the institution, sponsoring agency, principal or individual has failed to repay debts owed under the program, they will remain on the list until the debt has been paid.